

NOTICE OF  
PROPOSED RULE AMENDMENT

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301.
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

## Rule Information

DAR file no: \_\_\_\_\_ Date filed: \_\_\_\_\_  
 State Admin Rule Filing Key: 150136  
 Utah Admin. Code ref. (R no.): R746-360-8

## Agency Information

1. Agency: PUBLIC SERVICE COMMISSION - Administration

Room no.: \_\_\_\_\_  
 Building: HEBER M WELLS BLDG  
 Street address 1: 160 E 300 S  
 Street address 2: \_\_\_\_\_  
 City, state, zip: SALT LAKE CITY UT 84111-2316  
 Mailing address 1: PO BOX 45585  
 Mailing address 2: \_\_\_\_\_  
 City, state, zip: SALT LAKE CITY UT 84111-5585

Contact person(s): \_\_\_\_\_

Name:	Phone:	Fax:	E-mail:	Remove:
Sheri Bintz	801-530-6714	801-530-6796	sbintz@utah.gov	

(Interested persons may inspect this filing at the above address or at DAR during business hours)

## Rule Title

2. Title of rule or section (catchline):  
 Calculation of Fund Distributions in Rate-of-Return Incumbent Telephone Corporation Territories

## Notice Type

3. Type of notice: Amendment

## Rule Purpose

4. Purpose of the rule or reason for the change:  
 To define the "weighted average rate of return on capital" to be used in the determination of support amounts to be paid to Incumbent telephone corporations from the universal service fund.

## Response Information

5. This change is a response to comments by the Administrative Rules Review Committee.  
☒ No ☐ Yes

## Rule Summary

6. Summary of the rule or change:  
 The amendment defines how the Public Service Commission shall calculate the "weighted average rate of return on capital" to be used in determining the Incumbent's "total embedded costs". "Total embedded costs" is in turn used in determining the Incumbent's support amount from the universal service fund.

## Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: ☒ No ☐ Yes

No impact because the state budget is not affected.

B) Local government:

Affected: ☒ No ☐ Yes

No direct impact to local government because there is no affect to local government.

C) Small businesses:

Affected: ☒ No ☐ Yes

("small business" means a business employing fewer than 50 persons)

The change could increase revenues for small, independent telecom companies.

D) Persons other than small businesses, businesses, or local government entities:

Affected: ☒ No ☐ Yes

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

No direct impact to persons other than small independent telecom entities because they are not affected by the change.

#### Compliance Cost Information

#### 8. Compliance costs for affected persons:

No change to costs.

#### Department Head Comments

#### 9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

The new definition could increase or decrease the USF support amount claimed by an Incumbent, depending on the Incumbent's present calculation method. The methods vary and are not known by the Division of Public Utilities. This change could potentially increase the level of demand upon the Universal Service Fund, perhaps significantly.

B) Name and title of department head commenting on the fiscal impacts:

Ted Boyer, Commission Chairman

#### Citation Information

#### 10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV):

UCA 54-8b-15 , 47 CFR Part 36

#### Incorporated Materials

#### 11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank):

<p>Official Title of Materials Incorporated (from title page)</p> <p>Publisher</p> <p>Date Issued</p> <p>Issue, or version</p> <p>ISBN Number</p> <p>ISSN Number</p> <p>Cost of Incorporated Reference</p> <p>Adds, updates, removes-- SELECT ONE --</p>
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#### Comments

#### 12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy): 10/15/2010

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

#### Proposed Effective Date

#### 13. This rule change may become effective on (mm/dd/yyyy): 10/22/2010

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date.

After the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

#### Indexing Information

#### 14. Indexing information - keywords (maximum of four, one term per field, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):

public utilities, universal service fund, telecommunications

File Information

15. Attach an RTF document containing the text of this rule change (filename):

There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and  
title:

David Clark  
Director

Date (mm/dd/yyyy): 08/24/2010